

1 ALAN R. SMITH, ESQ.
Nevada Bar No. 1449
2 Law Offices of Alan R. Smith
505 Ridge Street
3 Reno, Nevada 89501
Telephone (775) 786-4579
4 Facsimile (775) 786-3066
E-mail: mail@asmithlaw.com

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5 Counsel for Debtor
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7 UNITED STATES BANKRUPTCY COURT
8 DISTRICT OF NEVADA
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10 In Re:

Case No. BK-N-11-50615-BTB

11 TEE INVESTMENT COMPANY, a
12 Nevada Limited Partnership, dba
LAKERIDGE APARTMENTS,

Chapter 11

13 Debtor.
14

**REPLY TO OBJECTION OF SECURED
CREDITOR WBCMT 2006-C27
PLUMAS STREET, LLC TO DEBTOR'S
FIRST AMENDED DISCLOSURE
STATEMENT**

15 Hearing Date: September 30, 2011
16 Hearing Time: 10:00 a.m.

17 Debtor, TEE INVESTMENT COMPANY, a Nevada Limited Partnership, dba
18 LAKERIDGE APARTMENTS ("Tee"), by and through its counsel, Alan R. Smith, Esq.,
19 of the Law Offices of Alan R. Smith, hereby replies to WBCMT 2006-C27 Plumas Street,
20 LLC's ("WBCMT") Objection Of Secured Creditor WBCMT 2006-C27 Plumas Street,
21 LLC To Debtor's First Amended Disclosure Statement (the "Objection") as follows:

22 **1. Disclosures Regarding The Use Agreement.**

23 In response to the WBCMT first objection filed on July 7, 2011, WBCMT
24 complained that the disclosure statement did not identify potential claims against insiders.
25 In response to that objection, the Debtor has now disclosed the potential claim against
26 Nathan Topol in Section 4, on page 7. Footnote 4 on page 7 indicates the total amount
27 received by Nathan Topol during the year prior to filing the petition, and the total amount
28 paid back by Nathan Topol. It is not possible for the Debtor to identify with more

specificity the likelihood of recovering such funds from Mr. Topol. Mr. Topol is represented by separate counsel, and information concerning his personal situation is difficult to obtain. However, the Debtor has been informed Mr. Topol has recently suffered a judgment against him in the approximate amount of \$4,000,000.00. WBCMT also seeks information as to why Mr. Topol received the funds, why he paid funds to the estate, and how all sums relate to his unsecured claim. Those disclosures are not necessary for an investor to make an informed decision about the plan. WBCMT also requests an expanded discussion of possible claims against Mr. Topol. Debtor is uncertain exactly what is requested by WBCMT. Debtor understands that the payments to Mr. Topol are likely on account of his unsecured claim against the Debtor, and that there is a strong possibility that such claims are preferential. No further expanded discussion of this matter is really necessary. The problem with the claim against Mr. Topol is the likelihood of collection.

2. Further Disclosures Regarding Use Agreement

The WBCMT original objection claimed that the Use Agreement was not identified as an executory contract or whether the Debtor intends to assume the Use Agreement. In response, consistent with Debtor's representation to the Court, the Debtor has attached a copy of the current Use Agreement (*see* Exhibit "A" to Amended Disclosure Statement), and specifically provides that all executory contracts are assumed. *See* Section 8.3 of Amended Disclosure Statement. WBCMT requests an explanation of the "current state" of the Use Agreement, any relevant history, or any plans between the Debtor and Tennis Club. Debtor is uncertain what "current state" means - the Use Agreement is in effect, and a copy is attached. Furthermore, the Debtor is uncertain what "relevant history" means. The Use Agreement has been in place for some time, and was modified on the date set forth therein. The Tennis Club has asserted a claim against the Debtor, as identified in the Amended Disclosure Statement. The remainder of the disclosures requests by WBCMT really relate to the Debtor's plan.

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1 **3. Disclosure Of Ownership Of The Debtor.**

2 The Debtor recently discovered the “First Amendment To Restated Limited
3 Partnership Agreement For Tee Investment Company, Limited Partnership” (the
4 “Amendment”). The Amendment was entered into on April 29, 2006, just prior to
5 WBCMT and Debtor’s loan closing at the request of the lender. The Amendment removes
6 Nathan and Virginia Topol Trust of April 1, 1985 as the General Partner of Tee
7 Investment Company and names Nathan L. Topol as the new General Partner. Mr. Topol
8 remains as the General Partner to the present time. He holds 98% interest. The Limited
9 Partners, Nathan L. Topol and Virginia Topol hold the remaining 2% interest. WBCMT is
10 therefore correct that Nathan L. Topol is the General Partner of the Debtor. The Debtor
11 will amend its First Amended Disclosure Statement to reflect the true ownership of the
12 Debtor.

13 **4. Plan Confirmation Issues.**

14 The remaining objections in the WBCMT second Objection relate to plan
15 confirmation. As the Court indicated at the previous hearing, it would not consider a plan
16 confirmation issue at the hearing on the disclosure statement. The Court indicated that the
17 plan was not patently unconfirmable. Now, WBCMT yet again raises the same
18 confirmation issues as before and additional confirmation issues. The previous
19 confirmation issues were already addressed by the Court on July 21, 2011. Perhaps if
20 WBCMT had appeared at the prior hearing on July 21, 2011, it could have argued these
21 issues. However, that opportunity is now lost, and the Court has ruled on the matter. The
22 continued hearing was not for the purposes of allowing WBCMT another shot at
23 attempting to demonstrate that the Debtor’s plan is unconfirmable on its face.
24 Accordingly, the Debtor is not responding to the plan confirmation issues, but will address
25 those in connection with the plan confirmation hearing.

26 **5. The Debtor Has Ordered Its Appraisal.**

27 Pursuant to the comments of the Court at the hearing on July 21, 2011, the Debtor
28 has ordered an appraisal of the property. The Debtor anticipates that the appraisal report

1 will be done prior to October 30, 2011.

2 **6. Conclusion.**

3 The Debtor has made all the corrections to the disclosure statement consistent with
4 the representations it made on July 21, 2011. WBCMT should not be allowed yet another
5 opportunity to object to the Debtor's disclosure statement, as the purpose of the September
6 30, 2011 hearing was only to assure that the Debtor had made the corrections as previously
7 represented. Furthermore, the purpose of the September 30, 2011 hearing was not to allow
8 WBCMT to yet again argue that the Debtor's plan is patently unconfirmable, or to make
9 up for the fact that it failed to appear at the previous hearing. It is respectfully submitted
10 that the Debtor's First Amended Disclosure Statement should be approved.

11 **DATED** this 28th day of September, 2011.

12 LAW OFFICES OF ALAN R. SMITH

13 By: /s/ Alan R. Smith
14 ALAN R. SMITH, ESQ.
15 Attorney for Debtor
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